



The Adopted FY 2018 Budget builds on past successes, addresses current community needs, and poises Charlotte to become the winning city of the future. When developing the Adopted FY 2018 Budget, City Council’s priorities; the Letter to the Community; the five Focus Areas; and the 10 Traits of Winning Cities; served as a guide to ensure investments are aligned with the needs of our city. In support of those priorities, this budget reaffirms the commitment to strengthening neighborhoods by promoting comprehensive revitalization, fostering job growth, and providing economic opportunities.

Charlotte is a growing, diverse, and innovative city. As our city continues to change, recognizing the importance of laying the foundation for sustainable growth in the future will be critical for our success. This budget represents the first of many steps towards creating the winning city of tomorrow. The process will take time, but working together, this goal will become a reality.

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# Citywide Priorities

The Adopted FY 2018 Budget connects the dots between three strategic foundational elements outlined by City Council:

## The Letter to the Community

- Safety, Trust, and Accountability
- Access to Safe, Quality, and Affordable Housing
- Good Paying Jobs

## The five Focus Areas

- Community Safety
- Economic Development
- Environment
- Housing and Neighborhood Development
- Transportation and Planning

## The 10 Traits of Winning Cities

- 15-minute livable communities
- Positive Buzz
- Shared Story
- Affordable Spaces
- Workforce Dynamics
- Millennial Magnet
- Beyond Borders
- Open Minds
- Open Book
- Big Tent



# Adopted FY 2018 Budget Highlights

## Highlights

- Establishes the Department of Housing and Neighborhood Services to enhance community engagement, build relationships, connect residents to networks of opportunity, and ensure long-term neighborhood vitality
- Creates the Department of Economic Development to strengthen the relationship between our business community and economic opportunities for our residents
- Adds \$6.0 million in Community Investment Plan (CIP) funds over five years to use innovative strategies to expand affordable housing opportunities
- Includes an additional \$5.0 million in the FY 2018-2022 CIP for the Business Corridor Revitalization Program to create vibrant, local business districts
- Addresses the public safety needs of our growing city by including \$12.5 million in the five-year CIP for a new Central Division Police Station and \$5.8 million for a new fire station at Clanton Road and Interstate 77
- Completes the commitment to add 125 new police officers over two years with the addition of 62 new police officers in FY 2018
- Commits an additional \$6.0 million in the FY 2018-2022 CIP to implement transportation infrastructure projects to improve the safety of pedestrian, bikeway, and transit access along: South Tryon, South Boulevard, West Boulevard, and Parkwood/The Plaza
- Raises the minimum pay for city employees to \$15.00 per hour
- Includes an increased market adjustment for Police and Fire from 1.5 percent to two percent and fully funds the Public Safety Pay Plan with two percent or five percent step adjustments based on rank and current step
- Provides a three percent merit increase in broadbanding, with a corresponding merit and market adjustment for the Hourly Pay Plan

# Sound Fiscal Leadership

By integrating new initiatives with past successes, this budget provides strategic community investments while remaining structurally balanced. A structurally balanced budget exists when ongoing expenditures equal projected ongoing revenues.

## All Funds (Net of Transfers)



## Adopted FY 2018 Budget

No Proposed  
Tax Increase

Adherence to the City Council's 15 Finance and Budget Principles has resulted in strong financial management practices, which are evidenced by the city's 44 straight years with a AAA credit rating on General Obligation debt.

This budget does not include any tax increases.

There are two fee increases. Charlotte Water fees will increase by \$1.73 per month largely to support debt payments for existing infrastructure.

Minimal Fee  
Increases

Solid Waste services fees will increase by \$0.50 per month due to contractual increases. The combined increase is an average of \$2.23 per month.

In the coming months, we will analyze the sustainability of existing fees to maximize efficiency and cost-effectiveness of services provided to residents.

# Well-Managed Government

The guiding principle for the FY 2018 budget, and future budgets, is building and maintaining a “well-managed government.” The Adopted FY 2018 Budget is an important step in a process intended to enhance municipal operations in the City of Charlotte.



As Charlotte continues to grow, so too does the demand for limited resources. Becoming a well-managed government will involve establishing a unified, data driven strategy for distributing resources.

Over the course of the next year, we will review internal services to find ways to address the needs of our growing city in a thoughtful and fiscally responsible manner by:

- Evaluating decisions using the five-pronged approach to examine revenues, reduce expenditures, identify efficiencies, grow the economy, and share services
- Revising the city’s current Balanced Scorecard performance management system to a more outcome-oriented approach
- Developing a consistent citywide brand



# We are Growing

The need to reexamine service delivery models to maintain service levels and quality of life in the community is critical as our city continues to grow. Over the next several years, Charlotte's economy and population are projected to grow. The city's current population of 835,000 residents is projected to increase to 1.2 million residents by 2040.



## Strong Local Economy

Charlotte's economy weathered the Great Recession and has had a strong recovery since the recession ended in 2011. Since that time, we have seen

growth in key sectors of our local economy. Sales tax, the city's second largest revenue source, is projected to grow at 3.5 percent per year for the next five years. Our strong local economy is the primary driver behind increasing the tax base, and a more robust tax base improves our ability to maintain or improve service levels at a minimal cost to residents.



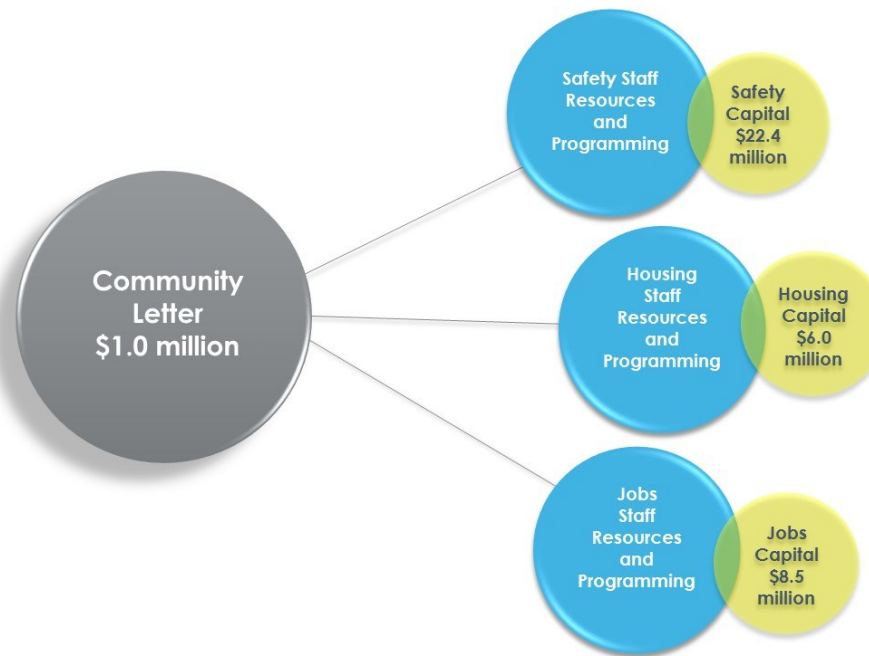
## Jobs are Trending Up

Strength in construction and revenue collection enhances our capacity to absorb and support the thousands of new residents who move to Charlotte every year. The number of jobs in the city and county have increased five percent over the last year. The city's unemployment rate, as of April 2017, is 4.9 percent, which is the same as the national average.



# Responding to the Community Letter

To address the needs of our rapidly growing and diversifying city, we have aligned our investments with the three tenets of City Council's Letter to the Community. The Adopted FY 2018 Budget and FY 2018-2022 CIP include key investments that support safety, trust, and accountability, quality and affordable housing, and good paying jobs. The intent behind these investments is to create a more inclusive community where all residents are able to benefit from the city's growth and economic prosperity.



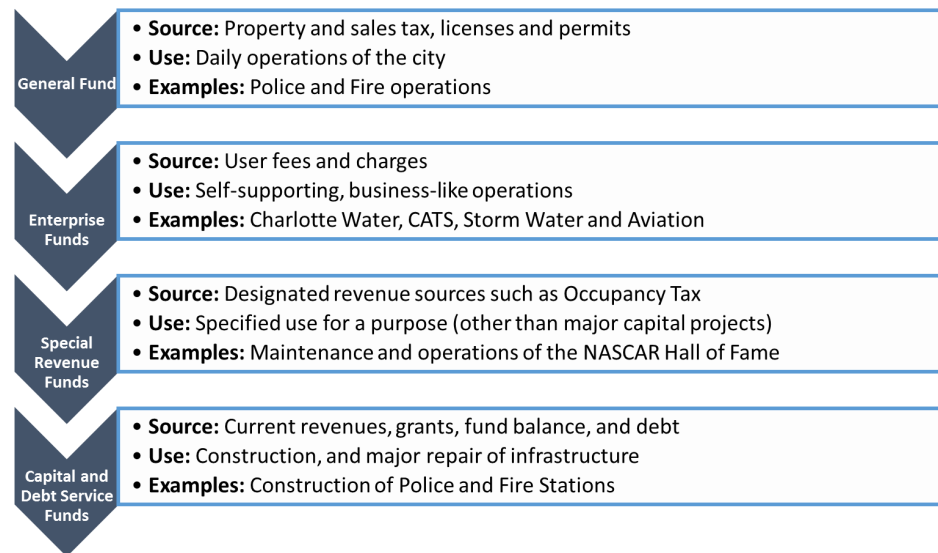
## Commitment to Constituent Services

In addition to the above commitments, the Adopted FY 2018 Budget adds three staff positions for the Office of Constituent Services. This new team will support City Council and enhance our ability to engage with residents, improve relationships, and build trust between the community and city leadership.

# How are Services Funded?

Funds are accounting groups the city uses to keep track of specific sources of funding and spending for particular uses. The city has four main types of funds it uses to manage resources to support city operations and address long term infrastructure needs.

## Fund Type and Use



## Paying for Infrastructure

The construction of buildings, acquisition of property and repairs and improvement of property are costly and often cannot be fully paid upfront. To finance these long-term investments, the city uses methods such as cash (Pay As You Go—PAYGO), grants, and the issuance of bonds.

General government debt is typically repaid over a 20-year period and enterprise debt is normally repaid over a 30-year period, as a result, the city is paying off the principal and the interest on bonds issued for a specific project long after physical construction is complete. In Charlotte, our AAA credit rating allows us to borrow money at competitive interest rates.



# Where does the Money Go?

## Adopted FY 2018 General Fund \$668.8 million



Adopted FY 2018 Budget	
General Fund	\$668,833,661
Transfers to Other Funds	(\$87,450,378)
<b>Subtotal General Fund</b>	<b>\$581,383,283</b>
<b>Enterprise Funds</b>	
Aviation	\$625,943,450
Charlotte Area Transit System	\$328,174,436
Charlotte Water	\$419,270,895
Storm Water	\$103,080,673
<b>Subtotal Enterprise Funds</b>	<b>\$1,476,469,454</b>
<b>Capital Investment</b>	<b>\$238,834,847</b>
<b>Special Revenue</b>	<b>\$93,756,456</b>
<b>Grand Total All Funds</b>	<b>\$2,390,444,040</b>

# Building Community through Strong Neighborhoods

## Establishing the Department of Housing and Neighborhood Services

Neighborhoods weave together the fabric of our community and are where our residents invest a significant amount of their time and money. The Adopted FY 2018 Budget reaffirms our commitment to promoting safe, healthy, inclusive, and prosperous neighborhoods through the creation of the Department of Housing and Neighborhood Services.



The department's philosophy is rooted in enhancing community engagement to build relationships, connecting residents to networks of opportunity, and building long-term neighborhood vitality. With the addition of 12 staff positions, Housing and Neighborhood Services is better equipped to work alongside residents to build on existing neighborhood strengths.

## Developing our Youth



A key strategy in promoting economic opportunity is providing youth education enrichment and career awareness programming. Included in the additional 12 positions for Housing and Neighborhood Services, are two positions dedicated to

connect area youth to career preparedness programs.

The city reaches over 35,000 youth annually through city sponsored programs such as:

- Camp Ignite
- Mayor's Youth Employment Program
- Mayor's Mentoring Alliance

# Leveraging Partnerships

## We are a Diverse Community

As part of an ongoing effort to enhance community participation, in FY 2018, the International Affairs division will receive one of the 12 additional positions included for Housing and Neighborhood Services. This three person office will provide a renewed focus on implementing the recommendations of the Immigration Integration Taskforce. By approaching community engagement in a more inclusive manner, we can empower residents to be catalysts for positive change.



## Collaborating with our Community

Charlotte's success is bolstered through community partnerships with non-profit organizations, higher education institutions, faith based institutions, and other key community stakeholders.

The Adopted FY 2018 Budget continues to work with our partners to maximize collective impact. Across multiple funding sources, \$34.5 million is dedicated for our outside partners. The programs supported through these partnerships

address the diverse needs of residents, ranging from home ownership counseling services and job skills training; to after school enrichment and support for the arts.



# Building Trust Through Engagement

Just as we collaborate with outside partners, we must also work together as an organization to improve collective outcomes. City departments will continue the collaborative effort to engage residents, families, and youth to promote mutual understanding.

As we adapt to the changes that lie ahead, we remain committed to our principles of protecting communities through a combination of community engagement and providing the Charlotte-Mecklenburg Police Department and Charlotte Fire Department with the resources needed to carry out that mission.

## Police Community Engagement Initiatives

- Community Corners informal gatherings of community members and police officers at community parks and athletic fields
- Coffee with Cops informal conversation sessions held at coffee houses and restaurants
- Respect Engage Accountability Character Honesty (REACH) Academy helps to build positive relationships between youth and police officers through leadership opportunities and career readiness training
- Project “Unplugged” facilitates informal forums at churches that allow police officers to engage with congregations and community members from surrounding neighborhoods



# Commitment to Public Safety

In our growing and increasingly dynamic society, it is critical to equip our first responders with appropriate personnel, technology, and strategically located facilities. The Adopted FY 2018 Budget includes the following additions to ensure public safety as our city becomes more urban and densely populated:

## Charlotte-Mecklenburg Police Department Additions

- Adds 62 additional sworn police officers to complete City Council's commitment to add 125 sworn officers over two years
- Additional \$1.3 million to purchase and equip 31 new Police vehicles and one crime scene vehicle
- Includes \$12.5 million in the FY 2018-2022 CIP for a new Central Division Station



## Charlotte Fire Department Additions

- Adds \$1.5 million in operating and capital equipment funds to support a new engine company and 18 additional firefighters in the Eastland area
- Provides \$5.8 million for a new fire station at Clanton Road and Interstate 77 in the five-year CIP

# Upgrading Our Infrastructure

The FY 2018-2022 Community Investment Plan (CIP) addresses the city's highest priority needs with a well-planned financing schedule. The General Fund CIP allows the city to keep pace with an expanding population, replace aging infrastructure, and improve quality of life in our neighborhoods. The five-year CIP totals \$4.1 billion and the General Fund CIP is \$751.8 million.

## Building Community through Strong Neighborhoods

- \$6.0 million for Neighborhood Transportation Corridors
- \$3.0 million for Neighborhood Transportation Program

## Creating Vibrant Local Business Districts

- \$5.0 million for Business Corridor Revitalization
- Additional \$3.0 million to complete the North Tryon Revitalization Program

## Building Affordable Housing through Investment and Collaboration

- \$6.0 million for development of affordable and workforce housing

## Preparing for Future Growth

- Providing alternative transit options through a five-year investment of \$307.1 million to connect the Town of Pineville to Uptown Charlotte and the University area with the Blue Line Extension
- Preserving and expanding existing water and sewer infrastructure by investing \$944.0 million invested over five years

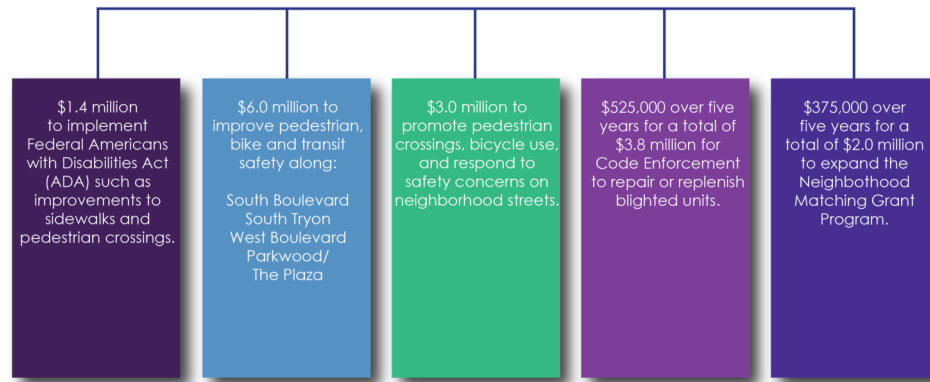


# Investing in Neighborhoods

Investing in neighborhood infrastructure improves resident safety and connectivity, creates vibrant and unique neighborhoods, and helps attract business and residents. The Adopted FY 2018-2022 CIP includes an additional \$11.3 million to enhance the physical traits and character of our neighborhoods.



## Investing in Neighborhoods





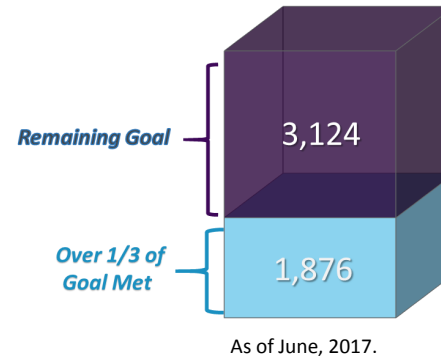
# Expanding Affordable Housing Opportunities

Through the five-year CIP, we have also added funds to expand Charlotte's affordable housing options. By investing in mixed income developments that incorporate affordable, workforce, and market-rate units, we have a unique opportunity to thoughtfully plan and integrate our communities.

We are committed to striking a right balance between revitalizing and investing in our underserved neighborhoods so residents can thrive.

City Council pledged to create and preserve 5,000 affordable and workforce housing units in three years. Affordable housing options can look like any single family home, townhome, or apartment development.

## Reaching the Goal of 5,000 Affordable Housing Units



## Using Bold Strategies

The Adopted FY 2018 Budget uses bold strategies to expand affordable housing with an additional \$6.0 million in the FY 2018-2022 CIP.



# Creating Charlotte's Workforce Pipeline

We have made targeted infrastructure investments into our neighborhoods to ensure safety, build trust and accountability, and expand affordable housing. The final pillar of City Council's Letter to the Community is to create good paying jobs.

Connecting residents to economic opportunity through creating a workforce pipeline is fundamental to sustaining Charlotte's recent growth. There is no one-size fits all approach, we must be deliberate in our workforce planning to establish career pathways for all skill levels.

## Encouraging Workforce Planning

The Adopted FY 2018 Budget initiates the relationship between the city and the Aviation Institute of Maintenance (AIM), the world's largest Federal Aviation Administration certified aviation maintenance technician trainer.



In early 2018, AIM will open its 12<sup>th</sup> campus in Charlotte and will teach Airframe and Powerplant (A&P) certification courses to an estimated 500 students. In the spirit of partnership, AIM will provide scholarships for two Charlotte residents, a value of almost \$100,000 over a two year period.

## Creating the Apprenticeship Program

Our new citywide Apprenticeship Program will initially partner experienced city staff in Charlotte Water and Aviation with apprentices to receive traditional classroom and on-the-job training. To coordinate the program, this budget adopts two new positions within the Department of Human Resources. Investing in apprenticeships is a long-term strategy to build a skilled workforce while providing a pathway for residents to obtain and maintain good paying jobs.



# Employer of Choice

City employees are the foundation of Team Charlotte. Attracting, retaining, and retraining capable and dedicated employees is essential to our ongoing success as an organization.

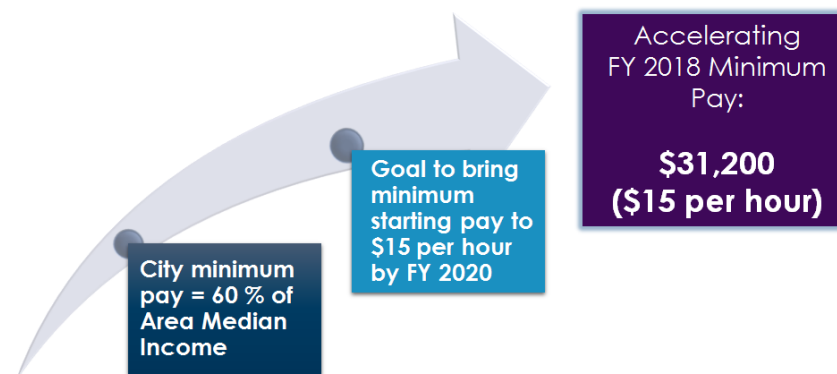
It is widely understood that highly qualified and skilled employees have a variety of employment options. We

recognize that competitive pay practices contribute to attracting and retaining top talent.



## Adopted FY 2018 Compensation Highlights

- Three percent merit-based raise in broadbanding, with corresponding merit and market adjustments for hourly employees
- Two percent market adjustment for Police and Fire
- Raising the minimum pay to \$15.00 per hour, meeting a council priority two years ahead of schedule



# Employer of Choice

We must look beyond the standard compensation increases to become an employer of choice. The Adopted FY 2018 Budget includes a number of initiatives designed to increase benefit offerings and improve employee engagement.



## MyClinic

### Dynamic Benefit Options

The Adopted FY 2018 Budget implements paid parental leave for city employees. Eligible employees will receive six weeks of leave for all new births, when a child is placed for adoption, foster care or guardianship. Additionally, this budget expands the city's benefit options to reflect the needs of our multigenerational workforce. By providing a variety of healthcare plans, employees will now have options to select the right amount of coverage based on individual need.

### Empowering our Employees

This budget establishes an employee relations committee to provide employees an opportunity to develop and present innovative solutions to challenging issues. This committee will allow employees to directly participate in the decision making process to shape the future of our city.



In addition to compensation increases, expanded benefit options, and establishment of an employee relations committee, this budget also includes:

- Providing an employer-sponsored eight-hour volunteer day
- Providing skill-based rewards, such as certification incentives
- Competitive market rates set at the, job-specific, actual median salary



**Mayor Jennifer W. Roberts**

**Mayor Pro Tem Vi Lyles**

**Council Member Dimple Ajmera**, District 5

**Council Member Al Austin**, District 2

**Council Member Ed Driggs**, District 7

**Council Member Julie Eiselt**, At Large

**Council Member Claire Fallon**, At Large

**Council Member Patsy Kinsey**, District 1

**Council Member LaWana Mayfield**, District 3

**Council Member James Mitchell**, At Large

**Council Member Greg Phipps**, District 4

**Council Member Kenny Smith**, District 6

**City Manager Marcus D. Jones**

## **FY 2018 Budget Calendar**

Council Budget Public Hearing	May 8, 2017, 5:30 p.m.
Council Budget Adjustments	May 10, 2017, 1:00 p.m.
Council Straw Votes	May 24, 2017, 12:00 p.m.
Council Budget Adoption	June 12, 2017, 7:00 p.m.

*This Budget in Brief includes the highlights of the Adopted FY 2018 Budget. For additional details, please visit the city's website [www.charlottenc.gov](http://www.charlottenc.gov) to view information about the budget or to read the Adopted budget document.*